



Jerusalem, January 11, 2018

**Circular no. C-06-2550**

Attn:

**Banking corporations and credit card companies**

**Re: Sending Notices via Means of Communication**

(Proper Conduct of Banking Business Directive no. 420)

**Introduction**

1. In this amendment, Directive 420 is updated in several ways in order to make the sending of notices to customers more efficient, augment special notices with information useful to customers, and ensure that the transmission of notices takes place conveniently.
2. After consulting with the Advisory Committee on Banking Business and with the approval of the Governor, I hereby amend said Directive.

**Amendments to the Directive**

3. Section 9 of the Directive deals with the sending of special notices to the customer. Below are the amendments that we introduced in the Directive:
  - 3.1 In Section 9(a), we established that to a special notice sent to a customer who has had five checks refused in his/her account, a banking corporation must add a link to the Checks Without Cover guide on the Bank of Israel website.

**Explanatory remarks**

The amendment is meant to make a customer who has had five checks refused more aware of the implications of the refusal to honor checks drawn on h/her account, including the consequences of further refusals.

- 3.2 In Section 9(b), it is established that to the special notice that is sent to customers who have had a restriction placed on their account, a banking corporation must add a link to the website of the System of Information and Authorizations regarding Restricted Customers and Accounts at the Bank of Israel.

**Explanatory remarks**

The amendment is meant to enable restricted customers to receive details about the restriction anywhere and at any time, without being dependent on the business hours of the entity that imposed the restriction and/or on the Bank of Israel's restricted-customer tracing section.

4. In Section 10a of the Directive, it is stated that a banking corporation that sends notices as mandated by law to a customer via email shall also send said notices

to the customer's mailbox on the banking corporation's website, provided the customer has subscribed to the service for sending notices on the website.

**Explanatory remarks**

The amendment is meant to prevent a situation in which some notices to customers concerning material matters are sent to the customer's private email address while others are sent to his or her notifications box on the website—possibly inconveniencing the customer and causing difficulty in tracing materially important notices that the corporation has sent to the customer.

5. In Section 12(c) of the Directive, the compulsory use of regular (physical) mail to send a notice to a customer who has not made use of a service, or who has not given documented consent to continue receiving the service, for nine months, is replaced with compulsory posting of said notice by means of a channel other than the one that said customer is not using.

**Explanatory remarks**

The amendment is meant to allow a customer to receive notices in some other manner that he or she requests, provided it be other than the communication medium through which the service he or she has not been using is provided.

**6. Date of effect**

The amendments made to Sections 9(a) and 9(b) shall go into effect on April 1, 2018. The other amendments to the Directive shall go into effect on the date of their promulgation.

**Revised file**

7. Update pages for the Proper Conduct of Banking Business Directive file are attached. Following are the provisions of the update:

**Remove page**

(07/16) [3] 420-1-4

**Insert page**

(01/18) [4] 420-1-5

Respectfully,

Dr. Hedva Ber  
Supervisor of Banks